

## Message Text

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TO SECSTATE WASHDC 6500

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E.O. 11652: N/A

TAGS: EAID, MX

SUBJ: NEW GOM "FIVE-YEAR PLAN" FOR AGRICULTURE PROVOKES  
CRITICISM

SUMMARY: WITHOUT EVIDENT COORDINATION WITH OTHER INTERESTED GOM AGENCIES, AGRICULTURE SECRETARY OSCAR BRAUER SPRANG A NEW FIVE-YEAR PLAN FOR AGRICULTURAL SELF-SUFFICIENCY ON PRESIDENT ECHEVERRIA IN A PUBLIC MEETING LAST WEEK AND CAME AWAY WITH HIS OFFICIAL BLESSING. SUBSEQUENTLY, HOWEVER, THE PLAN HAS GENERATED CRITICISM FOR ITS "MORE OF THE SAME" APPROACH, ITS FAILURE TO PROVIDE FOR GOVERNMENT-WIDE COORDINATION, AND ITS OPTIMISTIC CROP PROJECTIONS. MEANWHILE, A CONFERENCE OF MEXICAN AGRONOMISTS HAS URGED A MUCH MORE THOROUGHGOING APPROACH TO RESCUING THE RURAL SECTOR FROM ITS PRESENT DECLINE. WE DON'T AGREE THAT A MORE INTEGRATED CAMPAIGN WILL BE REQUIRED TO HALT THE DECLINE AND DISCOURAGE (GENERALLY ILLEGAL) FARM LABOR MIGRATION TO THE U.S. END SUMMARY.

1. IN A PUBLIC SESSION LAST WEEK WITH PRESIDENT ECHEVERRIA, AGRICULTURE SECRETARY BRAUER HERRERA UNVEILED A NEW "FIVE YEAR PLAN" FOR ACHIEVING SELF-SUFFICIENCY AND INDEED EXPORT CAPACITY IN BASIC FOODSTUFFS. THE BASIC OUTLINES OF THE PLAN  
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(WHICH ARE ALL THAT HAVE BEEN MADE PUBLIC TO DATE) ARE THE

FOLLOWING:

A. BASIC SELF-SUFFICIENCY IN PRODUCTION OF RICE, BEANS, CORN, AND WHEAT IS TO BE ACHIEVED WITHIN TWO YEARS. BY 1980, RESERVES ARE TO HAVE BEEN BUILT UP SUFFICIENTLY TO ALLOW MEXICO A POTENTIAL EXPORT SURPLUS, EVEN AFTER INCREASED CONSUMPTION IS TAKEN INTO ACCOUNT.

B. PRIMARY MEANS BY WHICH THESE GOALS ARE TO BE ACHIEVED ARE: A SEVENTEEN PERCENT INCREASE IN (OFFICIAL) AGRICULTURAL CREDITS -- 18 BILLION PESOS THIS YEAR, 44 BILLION BY 1980; CONCENTRATION OF GOVERNMENT RESOURCES IN NINE KEY STATES; AND A SHIFT OF EMPHASIS TOWARD BASIC FOODSTUFFS AND AWAY FROM CASH AND EXPORT CROPS (THOSE WHO FAIL TO COOPERATE IN THE LATTER REGARD RISK FORFEITING CREDIT, FERTILIZERS, TECHNICAL ASSISTANCE, AND IRRIGATION WATER).

C. ALSO CALLED FOR IS REVISION OF THE PRICE SUPPORT MECHANISMS, TO ENSURE THAT PRICES FOR BASIC FOODSTUFFS ARE SUFFICIENTLY HIGH TO AFFORD THE FARMER A PROFIT ON HIS INVESTMENT. SUPPORTS WOULD BE REVISED PERIODICALLY, BY SECTOR, WITH GREATER FLEXIBILITY THAN AT PRESENT.

D. FINALLY, THE PLAN CALLS FOR REVISING AND UNIFYING THE SYSTEM FOR EXTENDING OFFICIAL CREDIT TO RURAL AREAS. CREDIT WOULD BE LINKED MORE CLOSELY TO TECHNICAL ASSISTANCE, RURAL ORGANIZATION, AND AGRICULTURAL TRAINING IN SUCH A WAY AS TO CHANNEL CREDIT TO FARMERS IN A POSITION TO MAKE THE BEST USE OF IT.

2. WITHOUT FURTHER ADO, AND APPARENTLY WITHOUT ANY EXTENSIVE CONSULTATION WITH OTHER GOVERNMENT DEPARTMENTS AND ENTITIES WHOSE COOPERATION MIGHT BE IMPLIED IN SUCH A PLAN, THE PRESIDENT GAVE BRAUER'S PLAN HIS FULL PUBLIC ENDORSEMENT. PRESUMABLY IT IS NOW THE GOM'S CORE PROGRAM FOR ACHIEVING THE MUCH-VAUNTED RESUSCITATION OF THE MEXICAN AGRICULTURAL SECTOR.

3. NOTEWORTHY IS THE FACT THAT THE BRAUER PLAN APPEARED ONLY A FEW DAYS FOLLOWING THE CLOSE OF A MAJOR CONFERENCE OF MEXICAN AGRONOMISTS IN WHICH BRAUER HIMSELF PARTICIPATED, WAS SUBJECTED LIMITED OFFICIAL USE

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TO SOME STINGING CRITICISM, AND AT ONE POINT REPORTEDLY THREATENED RESIGNATION. IN THIS CONNECTION, THE CONCLUSIONS OF THE AGRONOMISTS WITH RESPECT TO THE PROBLEMS OF THE RURAL SECTOR MAKE INTERESTING READING ALONG SIDE THE BRAUER PLAN:

A. PRODUCTION OF BASIC FOODSTUFFS SHOULD BE STIMULATED, RATHER THAN THAT OF COMMERCIALLY MORE VALUABLE FOODS WHICH MAINLY BENEFIT MIDDLEMEN AND URBAN CONSUMERS.

B. CREDIT REGULATIONS SHOULD BE REFORMED TO CHANNEL MORE RESOURCES INTO THE RURAL SECTOR.

C. AGRICULTURAL RESEARCH AND TECHNOLOGY WHICH TAKES INTO ACCOUNT MEXICO'S DIVERSE ECOLOGICAL CONDITIONS SHOULD BE PROMOTED.

D. EXCESSIVE PROFIT MARGINS AMONG BUSINESSES ACTIVE IN RURAL AREAS SHOULD BE CURBED, BY BROADENING THE ROLE OF PUBLIC SECTOR AGENCIES.

E. EFFORTS SHOULD BE REDOUBLED TO ORGANIZE SMALL LANDHOLDERS AND EJIDITARIOS SO AS TO ACHIEVE GREATER PRODUCTIVE EFFICIENCY.

F. LEGISLATION AFFECTING CAMPESINOS SHOULD BE MODIFIED TO ENCOURAGE THEIR PARTICIPATION IN COMMERCIAL, TRANSPORT, AND INDUSTRIAL ACTIVITIES IN THEIR OWN RIGHT.

G. LAND TENURE PRIVILEGES NOW ENJOYED BY LARGEST LANDHOLDERS SHOULD BE ENDED THROUGH AMENDMENTS TO THE CONSTITUTION.

H. RURAL ECONOMIC ACTIVITIES SHOULD BE DIVERSIFIED, BY MEANS OF AGRI-INDUSTRIES WITH CAMPESINO AND STATE PARTICIPATION, SO AS TO CREATE NEW JOBS AND REDISTRIBUTE INCOME.

I. COLLECTIVELY OPERATED EJIDOS SHOULD BE INTEGRATED INTO LARGER PRODUCTIVE UNITS, WITH PARTICIPATION OF SMALL PRIVATE LANDHOLDERS AND DAY WORKERS, AND WITH MORE SYSTEMATIC REGIONAL PLANNING.

J. UNIONIZATION OF DAY LABORERS SHOULD BE PROMOTED, EFFECTIVELY GUARANTEEING THEIR RIGHT TO ORGANIZE FREELY ACCORDING TO THEIR OWN PREFERENCES.

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K. GOVERNMENT ADMINISTRATIVE AGENCIES CHARGED WITH PROMOTING ECONOMIC AND SOCIAL DEVELOPMENT IN RURAL AREAS SHOULD BE UNIFIED, PUTTING AN END TO PRESENT "BUREAUCRATIC FEUDALISM".

4. IN THE WAKE OF THESE TWO EVENTS, WITH THEIR RESPECTIVE PRESCRIPTIONS FOR REMEDYING MEXICO'S AGRICULTURAL SLUMP, DR. BRAUER HERRERA HAS COME IN FOR INCREASING CRITICISM. CHIEFLY, HE IS FAULTED FOR TAKING A TECHNOCRATIC VIEW OF THE PROBLEM,

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INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

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PROPOSING NARROWLY-BASED, PRIVATE SECTOR-ORIENTED "AGRICULTURAL SCHOOL" SOLUTIONS WHEN WHAT IS REALLY LACKING IS CONCERTED POLITICAL PUSH AT TOP GOVERNMENT LEVELS. BY IMPLICATION, ECHEVERRIA HIMSELF IS ALSO BEING CRITICIZED FOR HAVING FAILED TO DEVOTE ENOUGH SERIOUS ATTENTION TO THE PROBLEM AND FOR IGNORING THE NEED FOR A MORE INTEGRATED GOVERNMENTAL APPROACH./

5. IN THE CRITICS' VIEW, BIGGER AGRICULTURE BUDGETS ARE NOT ENOUGH TO CORRECT CENTURIES OF NEGLECT. NEW AGRONOMISTS WILL NOT BE PRODUCED OVERNIGHT; TRADITIONAL FARMING HABITS WON'T BE CHANGED WITH A WAVE OF THE WAND ; BUREAUCRATIC CORRUPTION WILL BE ENDED ONLY BY THE MOST RIGOROUS MEANS; EXPLOITATIVE MIDDLE-MEN CAN'T BE WIPED OUT UNLESS AN EFFECTIVE GOVERNMENT MARKETING MECHANISM IS READY TO TAKE THEIR PLACE; AND INCREASED AGRICULTURAL CREDIT IS STILL ONLY A DROP IN THE BUCKET COMPARED TO PRIVATE LENDERS (MANY CHARGING AS MUCH AS SIXTY PERCENT INTEREST AGAINST FUTURE CROPS).

6. COMMENT: UP TO A POINT, WE TEND TO AGREE WITH THE CRITICS IN THEIR EVALUATION OF THE BRAUER PLAN -- OR AT LEAST WHAT WE'VE SEEN OF IT SO FAR. IF ANYTHING IS OBVIOUS IN THE CONTEXT OF THE PRESENT AGRICULTURAL PROBLEM, IT IS THAT "MORE OF THE SAME" WILL NOT KEEP CAMPESINOS FROM ABANDONING THEIR LANDS IN

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DESPAIR AND HEADING FOR THE US BORDER. AN INTEGRATED, GOVERN-  
MENT WIDE PROGRAM OF COORDINATED FOCUS ON THE COUNTRYSIDE SEEMS  
ESSNTIAL IF ECHERRIA'S PROMISE TO RESCUE MEXICO'S AGRARIAN  
REFORM IS TO SUCCEED. BECAUSE OF ITS POTENTIAL FOR RELIEVING  
THE "PUSH FACTORS" WHICH PRESENTLY DRIVE CAMPESINOS OFF THE  
LAND AND STIMULATE ILLEGAL IMMIGRATIONIN SUCH A PROGRAM WOULD  
ALSO HAVE IMPORTANT SIGNIFICANCE FOR US INTERESTS AS WELL.  
UNFORTUNATELY, THE BRAUER PLAN AND ITS ILL-FOUNDED OPTIMISM  
GO NO FURTHER IN THE DIRECTOR OF REAL REFORM THAN THE REVOLUTION-  
ARY RHETORIC WE'VE HEARD UP TO NOW.  
JOVA

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